THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) Yes, Sir. The newspaper report refers to the search conducted by the CBI in the case of Shri. A.K. Purwar CIT (A), Mumbai.

(b) the detailed investigation report from the CBI is awaited. Therefore, it is not possible to give exact details on the search conducted. During the last three years, as per the information available, 16 Income Tax officials were nabbed red-handed while accepting bribe.

(c) such officials are immediately suspended and thereafter action is taken by way of launching of prosecution or initiation of Departmental proceedings or both on the basis of the evidence gathered by the CBI.

(d) In the Income Tax Department the restructured set up has been put in place under which there will be close monitoring by the Supervisory Officers, which will prevent corruption to a large extent. The vigilance machinery of this Department has also been strengthened by upgrading the existing Directorate of Income Tax (Vigilance) to the level of Directorate General of Income Tax (Vigilance). Four Regional Directorates of Income Tax (Vigilance) have been created at Delhi, Mumbai, Kolkata and Chennai. It shall improve to a large extent the image of the Income Tax Department in the eyes of the public.

PLR in respect of sick Units

2503. SHRI SANTOSH BAGRODIA: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to advise banks to charge PLR or lower rates to sick units expected to be viable;

(b) if so, details of the scheme; and

(c) if not, whether Government are not making the revival of such sick units more difficult?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) The interest rates are charged by Banks on the loans advanced to industrial units including sick units as per the guidelines of Reserve Bank of India.

As per the extant guidelines issued by RBI the following reliefs/ concessions in interest rates are applicable for revival of sick industrial units and sick SSI Units.

Nature of Assistance	Sick industrial Units	Potentially viable Sick SSI Units
Working Capital	At a rate which is the prevailing prime lending rate (PLR)	1.5% below the prevailing fixed/PLR, wherever applicable
Funded Interest Term Loan(FTTL)	At a rate, which is 2 percentage points below the prevailing PLR	Interest free
Working Capital Term Loan(WCTL)	At a rate which is 1 percentage point below the prevailing PLR	1.5% below the prevailing fixed/PLR wherever applicable
Existing Term Loan	Interest on existing term loan may be reduced, where considered necessary, by not more than 2 percentage points below the document rate.	Concession to be given not more than 2% (not more than 3% in the case of tiny / decentralized sector units) below the document rate.

Relief/concessions datailed above are only indicative. It is for the banks/ financial institutions to decide on the nature and extent of concessions necessary/ warranted, based on the merits of each case. The banks have been given freedom by RBI in regard to extension of relief/concessions even beyond the parameters, in cases where it is absolutely necessary.

Merger of loss making branches of SBI

2504. SHRI NAGENDRA NATH OJHA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the State Bank of India has decided to merge 440 loss making branches and virtually eliminate its network of regional offices across the country as a part of the post-VRS restructuring programme; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) No, Sir, State Bank of India have reported that they have not taken any such decision to merge 440 loss making branches of their bank and thereby eliminating bank's network of regional offices across the country on account of VRS or otherwise.

(b) Does not arise in view of the above.